UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CONF.165/PC.1/INF.7
11 April 1994

ENGLISH ONLY

PREPARATORY COMMITTEE FOR THE
UNITED NATIONS CONFERENCE
ON HUMAN SETTLEMENTS
(HABITAT II)
First session
Geneva, 11-22 April 1994
Item 4 of the provisional agenda
Preparations the regional and global levels

Note by the secretariat

Annexed herewith is the Advance Report and Recommendations formulated by the participants of the International Round Table Sustainable City Development: From Urban Crisis to Healthy Cities - Urbanization in Developing Policy, held from 22 to 25 March 1994 at Berlin, Germany.

GE.94-01304

International Round Table
Sustainable City Development:
From Urban Crisis to Healthy Cities
- Urbanization in Development Policy -

Berlin, 22 to 25 March 1994

ADVANCE REPORT AND RECOMMENDATIONS

These findings and recommendations have been formulated by the participants of the Round Table and will form part of the final report to be published by the DSE Development Policy Forum soon. They are being made available to the secretariats of the April session of the Preparatory Committee of the second United Nations Conference on Human Settlements (Habitat II) and of the session of the UN Commission on Sustainable Development in May 1994 in New York.

Berlin, April 5, 1994

ACQ 8 2 MAR

CONTENTS

I. **Introduction**

II. **Summary of Findings and Recommendations**

1. **Building Community**
   a. Cohesion, Disintegration and Reintegration
   b. Recognising the Third Sector

   Recommendations

2. **Working Towards Sustainability**
   a. Survival in the City
   b. Local Economies
   c. Legal and Financial Support and Constraints
   d. Learning and Training

   Recommendations

3. **Environment and Sustainable Development**
   a. The Environment of Poverty
   b. The Land Question
   c. Priority for Infrastructure
   d. Complexity, Variety and Identity

   Recommendations

4. **Cooperation and Coordination**
   a. Communication and Partnership
   b. Orientation and Integration
   c. Agenda Setting and Accountability

   Recommendations

International Round Table

THE CITY AND SUSTAINABLE DEVELOPMENT:
FROM URBAN CRISIS TO HEALTHY CITIES
Urbanisation in Development Policy

German Foundation for International Development
Berlin, March 22-25, 1994

INTRODUCTION

The Twenty Century has been one of urban transition. In a few years from now, a majority of the worlds's population in virtually all developed and developing countries will be living and working in cities. Most economic activity will take place there. Subsequently, given their demographic and economic weight, urban areas will play a central part in achieving sustainable development. By continuing to transform the face of many parts of the developing world over the coming decades, urbanisation also offers major opportunities for reaching social and economic goals.

Recognising these facts, the Development Policy Forum of the German Foundation convened a Round Table on "Sustainable City Development - from urban crisis to healthy cities", held at Villa Borsig, Berlin from 22 to 25 March 1994.

The meeting was attended by 35 representatives from government, local authorities, NGOs, multi- and bilateral organizations from 13 countries. The participants discussed the social, economic and environmental impact of rapid urbanization of the developing world on cities and their inhabitants. Special attention was paid to the working and living conditions of the urban poor in relation to the economic and environmental roles of the cities in achieving sustainable development. Some significant parallels with conditions in the developed world were also noted.

The Round Table was convened in order to formulate recommendations on sustainable urban development to be placed before the April meeting of the Preparatory Committee of the second United Nations Conference on Human Settlements (Habitat II) and, subsequently, before the session of the Commission on Sustainable Development of the United Nations in May 1994 in New York.

It is anticipated that the conclusions and recommendations of the Berlin Round Table will also make a contribution to the International Conference on Population and Development (ICPD), in Cairo, next September; to the World Social Summit, in Copenhagen, March 1995, and to the World Conference on Women in Development which will take place in Beijing in the same year.

The meeting was opened with policy addresses by the DSE Director-General, Heinz Bühler, the representative of the Federal Minister for Economic Cooperation and Development, Counsellor Rainer Lotz, the representative of the Federal Minister for Regional Planning, Building and Urban Development, Counsellor Manfred Konukiewitz and by Rolf Wichmann, of the Office of the Executive Director of the UN Centre for Human Settlements (Habitat).

Nairobi. All presentations stressed the central role of cities in achieving sustainable development but also noted that the rapidity of urban growth had greatly increased levels of urban poverty and environmental degradation. It was noted that this called for a shift in the priorities of international development assistance in favour of pressing urban issues and problems.

A primary focus of such assistance could facilitate partnerships between governments and public sector agencies, local authorities and communities and assist them in their pursuit of urban development and management.

In his introductory address, Mr. Han van Putten, founder and former President of the Habitat International Coalition (HIC) reviewed the efforts of the international community since Habitat, the first UN Conference on Human Settlements, held in Vancouver in 1976. Taking stock of failures and achievements and looking towards Habitat II, Mr. van Putten stated that a firm commitment and the political will of governments to build just, democratic and sustainable cities would be a more effective outcome than the declaration of another set of recommendations.

The ensuing discussions dealt with four key issues:

1. social disintegration caused by urbanization;
2. local economic cycles and labour in urban areas;
3. urbanization and the environment and
4. the complexity and flexibility of the urban development process, as well as the promotion of urban projects in international cooperation.

The above issues were addressed from the different perspectives represented around the table. A recurring concern was the need to involve local communities, local decision-makers, NGOs and local initiatives at all levels of public and political decision-making.

In the discussion special emphasis was also placed on the need to adjust legal and regulatory frameworks to release the full potential of the informal sector and small-scale enterprise. It was repeatedly stressed that local communities should also be fully involved in identifying and prioritising environmental interventions. Similarly, that external assistance by multilateral, bilateral agencies and other institutions as well as international NGOs should be better designed to support communities and local action.

In the pursuance of the objective to create cities that are:

- socially just,
- ecologically sustainable,
- politically participatory,
- economically productive,
- supportive of health and human development and
- culturally vibrant.

The Berlin Round Table proposed the following approach and recommendations:

1. BUILDING COMMUNITY

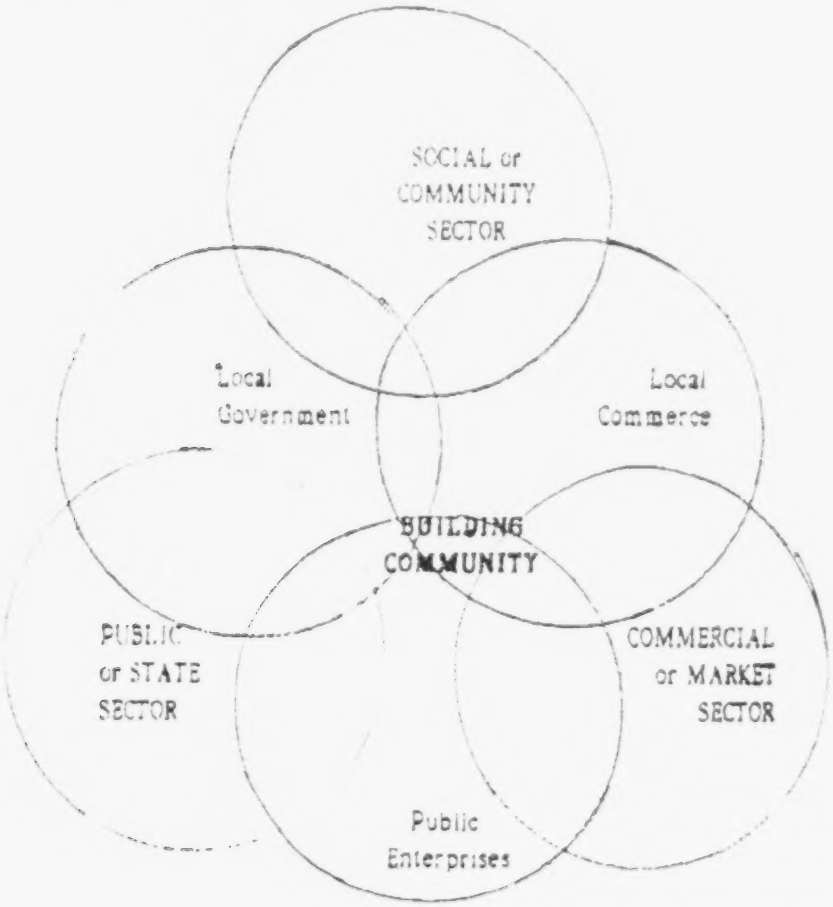
a. Cohesion, Disintegration and Reintegration

Urbanisation has disintegrating impacts on traditional form of social cohesion but it is also a force for reintegration into renewed forms of physical and economic as well as social integration. The erosion and frequent breakdown of traditional family and local community support and control systems have escalated the consequences of under-employment and exclusion from most benefits of the modern city. These place especially heavy additional burdens on women. Most women, and not only the low and very low-income majorities, are now faced with the dual tasks of performing their traditional roles as home makers while taking on income-earning activities. Although changing with the impact of urbanisation and democratisation, patriarchal traditions persists, excluding women from decision-making even on the uses of their own space and shelter needs and to an even greater extent than the exclusion of local communities in general. In some countries, however, the urbanisation process is providing women with new opportunities for participation in the community and its development and greater control over their own working lives and their bodies. The liberating potential of urbanisation extends to all urbanising countries., especially where the necessity of locally self-organised and managed initiative is understood and supported by local and central governments. Where this need is denied by the authorities political tensions escalate and the development of cohesive communities, which can contain social crime and violence, is frustrated.

b. Recognizing the Third Sector

The focus on low-income majorities of urbanising countries highlights the distinct but overlapping identities of the public, private commercial and the social or community sectors. In highly industrialised free market and mixed economies the third sector is usually identified with the private sector; in the remaining highly institutionalised command economies the third sector is identified with the state. In urbanising countries with large low-income populations, where neither government nor modern industry and commerce can supply the majority with basic needs, the majority must act for themselves. Developing economies clearly depend on locally-based production and trading networks, whether formally regulated or informally self-organised. These networks serve and trade with the larger, regionally, nationally or internationally organised trading and industrial companies which are anyway partly and often wholly dependent on them. Home and neighbourhood or community building is an important part of this more or less informal economy. While the poor of developing countries are heavily dependent on this largely unregulated economy, community-based economies are not synonymous with poverty nor are they necessarily illegal or "black". As well as the local distribution of most subsistence goods and often substantial proportions of social services and even public transportation are supplied by unregulated entrepreneurs, the great majority of all dwellings in most developing countries are build by the residents and local artisans. They use mainly industrially produced tools and materials, however and communities generally pressure, often successfully, for legal tenure and integration with the city's administration and physical infrastructures.

Three distinct but overlapping social sectors must be recognised, therefore, in order to make meaningful generalisations about any economy in which significant values are created by people in their own local communities for their own local uses - in the same way that realistic pictures can be painted only with three primary colours. The spheres and their overlaps in the simplified figure below identify local, community-based markets, local community-based government and public or semi-public enterprise (depending on the degree of overlap, of course). In reality more activities may be described by the overlaps than by those carried out by any one sector exclusively.



The recommendations in this report suggest that the common denominator of all activities should be building community in the broad sense - from persons in their own communities to the community of nations and of all peoples with the life of the biosphere - the final test of sustainability. Only recently has the hitherto neglected, ignored, sometimes harassed an often frustrated "third sector" been recognised as an economically productive partner in development. As persons-in-community are responsible for the use of significant proportions of scarce resources as well as for the care of dwellings and their immediate surroundings, sustainable development is heavily dependent on them. But responsible personal and local initiative depends, in turn, on the security of good government and affordable access to marketed products and services.

RECOMMENDATIONS

ON BUILDING COMMUNITY

- Building and rebuilding local communities has to be a principal aim and criterion of successful policy.

- Strengthening the political and social organisations of civil society must be the goal of public policy.

- Special attention must be given to ensuring their full participation in decision-making at all levels.

2. WORKING TOWARDS SUSTAINABILITY

a. Survival in the City

The poor survive often life-threatening situations and conditions through a multitude of strategies provided by the city. Many of these are dependent on the diversity of the city, especially the production, servicing and marketing activities which are usually concentrated in partial rings around the central business and entertainment districts. These generally dense areas of diverse activities are highly productive and provide wide ranges of employment for low and very low income people. When these areas are squeezed and eroded by expanding business districts an higher income residential areas, large-scale industrial or other homogenous areas, opportunities for casual and low-paid work close to low-cost accommodation diminish. Survival, let alone upward movement out of poverty, become more difficult as access to inner city areas decline - or, as in many more industrialised countries, these multi-function areas are "gentrified" (taken over and improved by middle-income residents); or, as in some notorious North American cases, they become derelict.

With the explosive, if now easing growth of most large cities in developing countries, ever higher proportions of low-income people live in at increasing distances from central city areas - tolerable and even desired by many who have sufficient and sufficiently secure incomes but not for those dependent on very low wages, insecure or casual work. Unless "inner-ring" conditions can be recreated in suburban centres, or very cheap and fast transport is made available, survival in socially and functionally homogenous areas is extremely difficult and moving up and out of poverty impossible for most. Megacities with their multi-million populations generally develop sub-centres which can recreate the "inner-ring incubators" for networks of small businesses which also serve as stepping stones for the younger poor.

b. Local Economies

Increasingly capital-intensive industries provide rapidly diminishing employment. Many manufacturing and service industries are dependent, however, on myriads of small suppliers. These community-based, local economic activities generate production and trading networks spread over wide areas. They build on and reinforce family, cultural and place-of-origin networks. In the aggregate these social and economic networks are the foundation of a

sustainable economy and they enable the survival of societies in crisis, as well as that of the poorest citizens. These small and often family-based enterprises provide youth with the most common opportunities to learn skills and gain employment. These "flexible production and trading networks" demonstrate exceptional adaptability and stability where they have survived or have recovered in industrialised countries. Precedents from all context are of increasing interest to those countries which are experiencing high levels of unemployment and escalating public welfare costs.

c. Legal and Financial Supports and Constraints

Local economies and sustainable development depend, in the longer run, on access to resources and freedom to use them in locally appropriate ways. In turn, these securities and freedoms depend on protective rules and regulations within which small enterprises can flourish and gain access to credit. Unrealistic official standards and procedures are the most common constraints on entrepreneurship and productivity at all levels and especially for those with small capital resources. Lengthy and costly procedures for obtaining licenses, for instance, can block access to low-interest credit and other forms of assistance needed for starting up small businesses or for acquiring or improving property. Unsupported initiatives are more likely to fail or waste time, effort and resources and be prey to extortion - and less likely to be healthy and safe as even affordable and necessary standards may be ignored.

d. Learning and Training

Learning and training are critical and complex issues in a time of paradigm change. It is generally accepted that the key changes are institutional and these reflect changes of attitude and understanding. Concern with sustainable development reflects acceptance of limits of polluting growth. Awareness of the implications of the fact that humanity is destroying its own habitat is limited at all levels: those whose immediate concerns are personal survival are rarely interested in the long-term environmental implications of ways and means they cannot afford to change; and those used to centralised systems, as managers or consumers, tend to resist sharing responsibilities and knowledge with their clients and entering into partnerships that resource economy demands. The imperatives of need, however, are educative forces. For instance, the evidently superior capacity of low-income people to build more with less in so many developing countries is leading to the general acceptance of the need to replace unaffordable conventional housing provision policies with cost-effective enabling strategies that support and complement local initiatives. Demands for direct exchanges of experience at all levels is increasing along with the already large and rapidly growing number and range of successful precedents for community-based initiatives and partnerships with government and industry. Networking at national government, municipal and community levels is expanding, facilitated in many cases by Non-Governmental Organisations such as Habitat International Coalition and its many members in all continents.

Sustainable urban development requires respect and support for local production and trading networks. Provision of appropriate locations, spaces and forms of tenure for these activities to grow undisturbed are essentials element for the sustainability of local enterprise.

- Legal and regulatory framework should encourage and support economic activities of the urban poor.

- Specific local business development programmes should be set up for small scale enterprises within urban communities.

- Community-based credit systems should be facilitated through the removal of regulatory or legal impediments.

- There is a need to set up multi-tiered credit systems that can respond flexibly and creatively to the particular credit requirements of the urban poor in both production and consumption. NGOs and CBPs should be encouraged to take a major part in setting up these systems.

Whenever practicable, public expenditure should be targeted on locally self-managed building, improvement and maintenance of homes and neighbourhoods.

The newer approaches of privatisation, commercialisation and enabling strategies in all sectors of city governance, must seriously consider the indigenous processes generated by local communities for self-help in shelter and community based amenities. It should be recognised that convergence of such strategies is possible through a supportive and complementary process.

3. ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

a. The Environment of Poverty

While all life on Earth is threatened by the excessive consumption of polluting capital resources, the poor suffer more immediately from insanitary surroundings in which so many are obliged to live. Often living on hazardous sites, such as flood plains or unstable hillsides of little or no commercial value, the poor suffer disproportionately from the life-threatening consequences of natural disasters. Whether technically impractical, too distant or steep to be financially feasible, because unauthorized, or planned for other uses, settlements of the poor are often excluded from access to basic services such as clean water, drainage and waste collection. The wide range of often heavily polluting factories and workshops often adjacent to or within low-income settlements, add to environmental hazards their residents face. As David Satterthwaite and the late Jorge Hardoy have documents so forcefully, the poor die young.

b. The Land Question

Even very low income households willingly build their own homes (to acceptable modern standards by stages over time) when they have access to building land accessible to their sources of livelihood and equipped with essential utilities. Millions do so in developing countries worldwide, even when sites are poorly located and have no services. Such is the desperate need and inability of either state agencies or commercial developers to supply at prices people of governments can afford. Many sites and services projects have been financed by the World Bank and other agencies during past decades. Although many more dwellings have been built in this way than would have been in conventional direct construction projects, the growth of demand has far outstripped the supply. Land-sharing in which settlers negotiate ownership in part-exchange for a portion of the land they occupy illegally has been successfully tested. Community Land Trusts in which residents own the land collectively while owning their own homes individually, are also being tested. CLTs have the potential for self-financed improvement when there are enough rent-paying commercial and public users (only real persons may have decision-making voice and vote). Despite these partial solutions, access to land for low-cost home and neighbourhood building, while it is a market commodity, remains an unsolved problem.

c. Priority for Infrastructure

Much greater progress has been made in the improvement of existing low-income settlements, mainly through the installation of basic services. While generally affordable settlement improvement and sanitation projects stimulate substantial private investments in dwellings and supplementary amenities, they add little to the total stock. Contrary to common assumptions, large-scale precedents show that installation costs can be afforded even by very low-income residents when participatory procedures and appropriate technologies are used. Authorities should bear in mind the fact that residents of unserviced settlements usually pay far higher prices for inadequate and often contaminated water that they have to buy from water sellers.

d. Complexity, Variety and Identity

Identity and the expectation, at least of satisfaction, are keys to motivation. Unleashing or unblocking local initiatives depends on a wide variety of locations, built forms, tenure and development and management procedures. As long as there are sufficient ranges of options for these basic elements of building and maintenance, there are limitless ways of generating houses and neighbourhoods – enough to match the immense and ever-changing variety of conditions needed in a complex modern society.

The variety of built environments essential for stable and sustainable development, can only be achieved by large numbers of small improvements, serviced of course, by smaller numbers of large infrastructural improvements. While large, centrally managed organisations are needed for the latter, their need to standardise forms and simplify procedures makes any attempt to work in partnership with users uneconomic.

The physical and procedural uniformities demanded by centralised management reduce the variety essential to the stability of systems as complex as neighbourhoods and cities. Community-based authorities, enterprises and organisations must therefore play leading roles in local development - and as full partners with central government and corporate commerce are necessarily involved in planning or related developments.

In this time of rapid change and social turbulence social and cultural identity is of increasing concern. Identity is reflected in built form and in the ways and means employed. Together with commitment, identity is ensured when local development is based on personal and local knowledge volunteered in negotiation with governmental and any commercial partners.

RECOMMENDATIONS

ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

- Urban environmental issues should be on the agenda of national action plans, which are currently sector based and so miss the opportunity of pushing for environmental priority in all sectors.

- A concerted strategy should be drawn up to assess all urban activities for environmental and health inputs. Necessary training and capacity building should be undertaken to enable national and local governments and concerned NGOs to acquire skills in impact assessment and mitigation measures. Local communities should be encouraged to participate in these processes, through major programmes of education, awareness and capacity building.

- It is the responsibility of each government to create appropriate systems, that should guarantee access to basic health, shelter and essential services to the urban poor - thus mitigating the negative impact of environmental degradation.

- Community based waste collection and recycling system in urban areas should receive special attention. This income and job generating activity of the urban poor can be strengthened, expanded and promoted to complement the conventional system and not seen to be conflicting with it.

- Active participation of local communities should be sought in the identification and prioritization of environmental actions at all local levels. NGOs and CBOs who are involved in environmental intelligence should be encouraged to take greater responsibility for environmental management.

4. CO-OPERATION AND CO-ORDINATION

Communication, relationships and management are the key denominators of the social, economic and environmental aspects and issues discussed by the Round Table. Reflecting the changing nature of the international debate, the focus was on ways and means of overcoming the fragmentation of organisations and the tendency to value competition above co-operation within and between agencies, and of confrontation above partnership with those they serve. The increasing disintegration of former nation states, reflecting and abetted by increasing

inter-communal violence, should dispel romantic or over-optimistic expectations of democratic progress at local and national levels. Experience of development, however, especially in rapidly urbanising countries, proves the necessity of integrating local and central decision-making structures in order to make better use of resources and, therefore, to keep material development within sustainable limits. The Round Table emphasised of consciousness-raising at the grass-roots. Without general public awareness of the over-riding threat of environmental self-destruction, it is hard to see how frustrations of those with limited horizons can re-direct their energies to co-operative, inter-communal action.

a. Communication and Partnership

Governments are frequently failing to reach people and vice-versa. Unless respect and relationships between local and central levels are improved, consultation is hollow and partnership is impossible. These prerequisites demand recognition by the key actors of their respective strengths and limitations. The Round Table repeatedly emphasised the necessity of official and professional recognition of the third, social or community sector - not only because democratic principles demand it but also because it is impossible to achieve affordable and, therefore, sustainable environmental improvement without local knowledge, initiative and commitment. The principal barriers to partnership were seen to be 1) inherited paternal, filial and sexist attitudes and their elitist assumptions, 2) fragmented decision-making and administration and 3) opaque and complex procedures.

b. Orientation and Integration

The issue of learning in a time of paradigm change is summarised in 2.d above. Experience suggests that changes of understanding and attitude are learned as skills are, mainly by doing. There are now many precedents for enabling strategies that build community in widely different contexts which demonstrate the differences between directive and non-directive forms of management : those in which decisions that can and should be made locally are centralised, with or without consultation, and those that allocate responsibilities according to the competence of the different actors. In conventional, centrally managed systems decisions on local details as well as supra-local structures are handed down through a pyramid. Modern forms of government, already evident in many pioneering local development programmes, are following changes in industry by creating networks of decentralised organisations free to negotiate with one another. This emerging change in the culture of management can be accelerated by increasing bi-lateral assistance to governments for the support of municipally supervised and locally self-managed projects and programmes based on three-way partnerships.

c. Agenda Setting and Accountability

There are fears that international agendas will be set and imposed by multi and bi-lateral agencies on national governments, and by the latter on municipalities and local communities. These fears can be allayed and a balance achieved only if the growing international networks of municipalities and of non-governmental and community based organisations (NGOs and CBOs) continue to build. More advantage can be taken of increasing public demands for accountability and transparency in the use of tax-payers contributions, especially to

development projects. These pressures, together with growing recognition of the priority for cost-effective institutional changes that unblock local initiative over centrally administered development projects, are the most likely ways to ensure the major contribution which home and neighbourhood building - or habitat - can make to sustainable development.

RECOMMENDATIONS ON

COOPERATION AND COORDINATION

- Higher priority should be given by multi-lateral, bi-lateral agencies and by NGOs to sustainable urban development as set out in Agenda 21, of UNCED.

- International development efforts by multi-lateral, bi-lateral agencies and NGOs should be aimed at strengthening action through local authorities and community-based organisations.

- All efforts should be made to simplify channels of communication exchange and co-operation in order to increase local effectiveness.

- Decisions should be made by encouraging a participatory process at all possible levels. This would also encourage channelling financial assistance to the lowest level in the most cost-effective way.

- International organisations should co-ordinate their interventions and programmes to enhance their effectiveness and complementarity.